

Ch/E Chrono

5 OCT 1959

MEMORANDUM FOR: Deputy Director/Support

THROUGH: Deputy Director/Intelligence

SUBJECT: Proposal for a Program of Sponsored Full-Time Graduate Study for Selected College Graduates in Economics

REFERENCE: (a) Memorandum for DD/S from AAB/IR, dated 5 June 1959, same subject

(b) Memorandum for DD/S from Acting Director of Personnel, dated 24 August 1959, same subject

(c) Memorandum for Director of Personnel from Acting General Counsel, dated 14 August 1959, same subject

1. This memorandum contains comments for consideration by the DD/S in connection with his review and recommendations on the subject proposal. Since the Acting Director of Personnel has given ORR the opportunity to comment on the reactions of the Office of Personnel to our original proposal as set forth in Reference (a) above, this memorandum will respond to certain points set forth as important considerations in Reference (b).

2. While the Office of Personnel has studied the ORR proposal carefully, we believe after reviewing their comments that we have failed to make entirely clear the circumstances which necessitated putting this proposal forward. The arguments interposed by the Office of Personnel are summarized below, together with our comments.

a. Personnel suggests that the number of economics majors may reasonably be expected to increase in constant proportion with the overall number of students in universities in the next few years and asks whether, given this case, aggressive recruiting practices may not be sufficient to satisfy ORR's recruitment needs.

*Appraisal memo to Ch/E
from Ch/St/A dtd 13-1-60
Subj: Agency Sponsorship
of Graduate Training*

*File (Ch/E) along with a
copy of this memo.*

**SUBJECT: Proposal for a Program of Sponsored Full-Time
Graduate Study for Selected College Graduates
in Economics**

OPR Comment: We agree that the number of economics students will increase. The real point, however, is that this growing number of economics majors requires the universities to recruit an increasing number of teachers, and it is for the limited number of people qualified as teachers that we are obliged to compete. Since it takes a minimum of four years, and usually more, to earn a doctorate in economics, there is an obvious lag in supply relative to demand. Such advanced training is expensive and in the absence of extra inducements such as the one proposed by OPR, there will unquestionably be an absolute shortage of people qualified to meet the needs both of the universities and government for the next several years.

b. Personnel suggests that there might possibly be unfavorable reaction from present employees because they can be given no opportunity to compete.

OPR Comment: While it is, of course, possible in individual cases that some resentment might be engendered, we have not considered that this would be a serious problem since we have for several years had a rather liberal policy in OPR of helping our employees with desirable supplementary training.

c. Personnel suggests that students selected for sponsored study would still be subject to Selective Service requirements and that unless deferred they would be called upon to discharge their military obligations prior to becoming directly productive employees.

OPR Comment: This would no doubt be true at least in a number of cases; however, it is already true of some of our regular employees under present conditions. We do not see that this would create any more of a serious problem with our trainees than is the case at the present time with full time employees.

d. Personnel suggests that since current recruitment procedures would parallel the new trainee program we would find ourselves hiring qualified economists at the same time that we are underwriting graduate training in the proposed program. This situation in Personnel's opinion would not be regarded as equitable and would create resentment and friction.

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OUR Comments: Here again there is a possibility, of course, that a few individuals would be resentful of a program formulated too late for them to be in a position to compete for it. We have not, however, considered this to be a major danger since we would, of course, clearly explain to personnel on board the overriding need for such a program if we are to stay at strength. Moreover, most people in the age group of our professional staff have by this time found themselves "born too soon" for many desirable present-day opportunities which were not available to them at the time when they might have taken advantage of them. It seems to us that mature minds would easily perceive the need for such a trainee program, and would be able to accommodate themselves to its existence.

3. The Director of Training has suggested that consideration be given to bringing young college graduates to the Agency for a year's service before a decision is made whether sponsored training is warranted. The Office of Personnel concurs in this view.

OUR Comments: This idea was considered at the time our proposal was formulated. We decided against it because we could see no real advantage to such a procedure and on the other hand a very serious disadvantage. A fresh college graduate, even though he might be an economics major, is insufficiently trained in most cases to allow his assignment to work at a level of responsibility which would permit us to make any real judgment about his aptitude for productive research. The average such newcomer could be used at best only as a junior research assistant, performing tasks only slightly above the non-professional level. Thus they would gain only marginally from the experience, would contribute only marginally to our own requirements and, in addition, would require an inordinate amount of supervision. At the end of the year, given these considerations, we have serious doubts that we would have a much more valid basis for selection than we had at the end of the student's senior year. The disadvantage we see in requiring the student to come to Washington for a year prior to embarking on graduate training is that most of the dramatic appeal of our offer would be lost. Instead of being able to offer the prospective trainee an opportunity for solid graduate training under a contract providing a modest living wage at the university in which he is already in residence, we would be in the position of asking him to gamble several hundred dollars, (which he probably does not have and would have to borrow), to come to Washington for a year's trial period with the possibility of training if he does exceptionally well at a job he knows nothing about and about which we can tell him only a little. This seems to us to be a thoroughly "iffy" prospect which could hardly have the appeal we are seeking.

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